

By: Watson

S.B. No. 1107

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the powers of certain hospital districts and to the
3 retirement benefits of employees of the districts and related
4 entities; authorizing the issuance of anticipation notes and the
5 imposition of taxes.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 61.056, Health and Safety Code, is
8 amended by adding Subsections (c) and (d) to read as follows:

9 (c) A hospital district created in a county with a
10 population of more than 800,000 that was not included in the
11 boundaries of a hospital district before September 1, 2003, may
12 affiliate with any person or private entity to provide regional
13 administration and delivery of health care services.

14 (d) Notwithstanding any other law, for purposes of regional
15 administration and delivery of health care services, a hospital
16 district created in a county with a population of more than 800,000
17 that was not included in the boundaries of a hospital district
18 before September 1, 2003, may fund the administration and delivery
19 of health care services to any individual who is an eligible
20 resident of any entity that is participating in the regional
21 program.

22 SECTION 2. Subchapter C, Chapter 61, Health and Safety
23 Code, is amended by adding Section 61.067 to read as follows:

24 Sec. 61.067. SUBROGATION BY CERTAIN HOSPITAL DISTRICTS.

1 (a) This section applies only to a hospital district created in a
2 county with a population of more than 800,000 that was not included
3 in the boundaries of a hospital district before September 1, 2003.

4 (b) The filing of an application for or receipt of health
5 care services provided or paid by a hospital district constitutes
6 an assignment of the applicant's or recipient's right of recovery
7 from:

8 (1) personal insurance;

9 (2) other sources; or

10 (3) another person for personal injury caused by the
11 other person's negligence or wrong.

12 (c) A person who applies for or receives health care
13 services shall inform the hospital district at the time of
14 application or at any time during eligibility of any unsettled tort
15 claim that may affect medical needs and of any private accident or
16 sickness insurance coverage that is or may be available. An
17 applicant or eligible resident shall inform the district of any
18 injury that is caused by the act or failure to act of some other
19 person. An applicant or eligible resident shall inform the
20 district as required by this subsection not later than the 10th day
21 after the date the person learns of the person's insurance
22 coverage, tort claim, or potential cause of action.

23 (d) A claim for damages for personal injury does not
24 constitute grounds for denying or discontinuing services under this
25 chapter.

26 (e) A separate and distinct cause of action in favor of the
27 hospital district is hereby created, and the district may, without

1 written consent, take direct civil action in any court of competent
2 jurisdiction. A suit brought under this section need not be
3 ancillary to or dependent on any other action.

4 (f) If the person, applicant, eligible resident, recipient,
5 or such individual's beneficiary or legal representative fails to
6 bring an action to recover the cost of services provided or paid by
7 the hospital district before the 91st day after receipt of initial
8 services, the district may bring an action as provided in
9 Subsection (e) after 30 days' written notice to the person,
10 applicant, eligible resident, recipient, or such individual's
11 beneficiary or legal representative of the district's intent to
12 bring an action to recover such costs.

13 (g) The hospital district's right of recovery under this
14 section is limited to the amount of the cost of services provided or
15 paid by the district and any costs of court and attorney's fees
16 permitted by law.

17 (h) An applicant or eligible resident who knowingly and
18 intentionally fails to disclose the information required by
19 Subsection (c) is subject to denial of services under this chapter
20 following an administrative hearing.

21 (i) Procedures established by a hospital district for
22 administrative hearings under this section shall provide for
23 appropriate due process, including procedures for appeals.

24 SECTION 3. Subchapter B, Chapter 281, Health and Safety
25 Code, is amended by adding Section 281.0285 to read as follows:

26 Sec. 281.0285. STAFF FOR CERTAIN DISTRICTS. (a) This
27 section applies only to a hospital district created in a county with

1 a population of more than 800,000 that was not included in the
2 boundaries of a hospital district before September 1, 2003.

3 (b) The board of a hospital district described by this
4 section may employ physicians, dentists, or other health care
5 providers as the board considers necessary for the efficient
6 operation of the district. This subsection does not authorize the
7 board to supervise or control the practice of medicine or permit the
8 unauthorized practice of medicine, as prohibited by Subtitle B,
9 Title 3, Occupations Code.

10 SECTION 4. Subchapter C, Chapter 281, Health and Safety
11 Code, is amended by adding Section 281.0513 to read as follows:

12 Sec. 281.0513. CONTRACTING AUTHORITY OF CERTAIN DISTRICTS.

13 (a) This section applies only to a district created in a county
14 with a population of more than 800,000 that was not included in the
15 boundaries of a hospital district before September 1, 2003.

16 (b) The board may contract with a person, private entity, or
17 public entity, including a municipality, county, special district,
18 or other political subdivision of this state, to provide or assist
19 in the provision of services.

20 SECTION 5. Section 281.0565, Health and Safety Code, is
21 amended by adding Subsection (d) to read as follows:

22 (d) A hospital district created in a county with a
23 population of more than 800,000 that was not included in the
24 boundaries of a hospital district before September 1, 2003, may
25 make a capital or other financial contribution to a charitable
26 organization that is formed to provide regional administration and
27 delivery of health care services.

1 SECTION 6. Subchapter G, Chapter 281, Health and Safety
2 Code, is amended by adding Section 281.124 to read as follows:

3 Sec. 281.124. ELECTION TO RAISE NOMINAL TAX RATE IN CERTAIN
4 DISTRICTS. (a) This section applies only to a hospital district
5 created in a county with a population of more than 800,000 that was
6 not included in the boundaries of a hospital district before
7 September 1, 2003.

8 (b) A hospital district described in Subsection (a) may hold
9 an election at least 180 days in advance of the date on which the
10 district's tax rate is finally approved in which the district can
11 seek approval from the registered voters of the district to raise
12 the nominal tax rate by a specified dollar amount if that amount
13 would result in the tax rate exceeding the rollback tax rate
14 calculated as provided by Chapter 26, Tax Code, which dollar amount
15 must be specified in the proposition. At the election, the ballots
16 shall be prepared to permit voting for or against the proposition:
17 "Approving the ad valorem tax rate of \$_____ per \$100 valuation in
18 (name of hospital district) for the _____ tax year, even though that
19 rate exceeds the district rollback tax rate. The proposed ad
20 valorem tax rate exceeds the current ad valorem tax rate by
21 \$_____." The ballot proposition must include the proposed tax
22 rate, the difference between the proposed and current ad valorem
23 tax rates, and the tax year in which the proposed rate would apply
24 in the appropriate places.

25 (c) If a majority of the votes cast in the election favor the
26 proposition, the tax rate for the specified tax year is the rate
27 that is approved by the voters, and that rate is not subject to a

1 rollback election under Section 26.07, Tax Code.

2 (d) If the proposition is not approved as provided by
3 Subsection (c), the board may not adopt that proposed tax rate for
4 the district for the specified tax year.

5 (e) Notwithstanding any other law, if the voters approve the
6 proposed tax rate at an election held under this section, no body
7 with approval authority over the district's budget or tax rate may
8 disapprove the tax rate approved by the voters or disapprove the
9 budget based solely on the tax rate approved by the voters.

10 SECTION 7. Subchapter A, Chapter 803, Government Code, is
11 amended by adding Section 803.004 to read as follows:

12 Sec. 803.004. CERTAIN RETIREMENT SYSTEMS. (a) This
13 section applies only to an employee who:

14 (1) is a member of a municipal retirement system
15 described by Section 803.0021(1) and who is:

16 (A) involuntarily transferred by the employing
17 municipality to an employment position with a hospital district
18 located in a county in which the municipality is located, a
19 charitable organization created by that hospital district, or an
20 administrative agency created by that hospital district under
21 Section 791.013; or

22 (B) employed by a hospital district, a charitable
23 organization created by the hospital district, or an administrative
24 agency created by the hospital district under Section 791.013 after
25 being terminated by a municipality located in the same county as the
26 hospital district; and

27 (2) participates in a system that is a qualified

1 public retirement system of the hospital district, the charitable
2 organization, or the administrative agency.

3 (b) Any service credit earned by an employee described by
4 Subsection (a) at the hospital district, charitable organization,
5 or administrative agency will be combined under Section 803.201 to
6 determine whether the employee meets the length-of-service
7 requirements for service retirement under the municipal retirement
8 system.

9 (c) Upon retirement, an employee described in Subsection
10 (a) will receive a benefit from the municipality as determined
11 under Subchapter D and will receive a benefit from the hospital
12 district, charitable organization, or administrative agency as
13 determined under the terms of the district's, organization's, or
14 agency's retirement plan.

15 SECTION 8. Subdivision (2), Section 1431.001, Government
16 Code, is amended to read as follows:

17 (2) "Eligible countywide district" means a flood
18 control district or a hospital district the boundaries of which are
19 substantially coterminous with the boundaries of a county with a
20 population of three million or more or a hospital district created
21 in a county with a population of more than 800,000 that was not
22 included in the boundaries of a hospital district before September
23 1, 2003.

24 SECTION 9. Section 162.001, Occupations Code, is amended by
25 adding Subsections (d) and (e) to read as follows:

26 (d) The board shall certify a health organization to
27 contract with or employ physicians licensed by the board if the

1 organization:

2 (1) is a hospital district:

3 (A) recognized by a federal agency as a public
4 entity eligible to receive a grant related to a community or
5 federally qualified health center described by Subdivision (2); and

6 (B) created in a county with a population of more
7 than 800,000 that was not included in the boundaries of a hospital
8 district before September 1, 2003; and

9 (2) is organized and operated as:

10 (A) a migrant, community, or homeless health
11 center under the authority of and in compliance with 42 U.S.C.
12 Section 254b or 254c; or

13 (B) a federally qualified health center under 42
14 U.S.C. Section 1396d(1)(2)(B).

15 (e) This section applies to a hospital district described by
16 Subsection (d) only in relation to the hospital district's
17 operations as a community or federally qualified health center
18 described by Subsection (d)(2).

19 SECTION 10. Section 281.123, Health and Safety Code, is
20 repealed.

21 SECTION 11. Section 803.004, Government Code, as added by
22 this Act, applies only to a person who retires from a municipality,
23 hospital district, charitable organization, or administrative
24 agency on or after the effective date of this Act. A person who
25 retires from a municipality, hospital district, charitable
26 organization, or administrative agency before the effective date of
27 this Act is governed by the law as it existed immediately before the

1 effective date of this Act, and that law is continued in effect for
2 that purpose.

3 SECTION 12. Section 61.067, Health and Safety Code, as
4 added by this Act, applies only to services provided by a hospital
5 district on or after the effective date of this Act. Services
6 provided by a hospital district before the effective date of this
7 Act are governed by the law as it existed immediately before the
8 effective date of this Act, and that law is continued in effect for
9 that purpose.

10 SECTION 13. This Act takes effect September 1, 2007.